



A Vision For Economic Development in Montgomery County

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I. Montgomery County's Economic Development Vision

County Executive Leggett's economic development vision for Montgomery County is a *globally competitive and highly diversified knowledge-based economy* that provides for the retention and growth of existing companies, stimulates new job creation and enhances entrepreneurial opportunities.

Montgomery County's large global corporations and existing small businesses form the solid economic base that provides our residents with an ongoing high quality of life. Our high quality of life, in turn, helps retain, attract and create businesses of all sizes in all sectors.

In order to strengthen our leadership position in the world economy, we must adapt to continually changing regional, national and global economic

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conditions, especially during the current national downturn. As the County's existing sectors mature and new technology sectors such as clean energy/green technology emerge, new business opportunities will evolve. Where the goal once was innovative research or the development of emerging technologies, the focus should now broaden to the commercialization and deployment of new products, processes and technologies.

This vision will be implemented within the parameters of a complex regional, national and global framework.

As with large corporations, Montgomery County's small businesses can no longer look solely within the boundaries of our jurisdiction to grow, but must consider their position in the region and the world. Montgomery County Government's role is to create an enabling business environment and to provide the tools with which our companies — from all sectors and sizes — can succeed in today's marketplace.

II. The County's Economic Development Mission

Working with its many public and private partners, *the Department of Economic Development (DED) will retain, attract and create businesses* that support a broad array of employment opportunities; strategically grow its knowledge-based economy and key industry clusters; and expand the County's tax base.

The County will undertake marketing, business development, technical assistance, skilled work force development, advocacy, outreach, partnering, capital projects, and financing activities in support of this mission.



III. Economic Development Goals

The following broad economic development goals form the framework for the County's Economic Development Strategy:

Goal One:

Retain and grow existing businesses, strategically attract new ones, and enhance entrepreneurial opportunities; work to ensure that all business sectors benefit from the knowledge-based economy

Goal Two:

Adapt to a more competitive business climate by creating an environment where knowledge-based industries and small businesses thrive

Goal Three:

Foster creative and strong partnerships with academia, the federal research community, the private sector and various levels of government to pursue innovative projects, policies and best practices that support business growth and expansion

Goal Four:

Establish global linkages to facilitate business opportunities abroad, attract international investment to Montgomery County, and foster trade and joint ventures for Montgomery County businesses



Goal One: Retain and grow existing businesses, strategically attract new ones, and enhance entrepreneurial opportunities; work to ensure that all business sectors benefit from the knowledge-based economy

Retention of existing businesses, especially during trying economic times and heightened competition from other jurisdictions, will be the top priority

Alongside retention, business attraction will remain a high priority.

for DED. In an economy with constant technological advances and changing market conditions, businesses must have an environment that allows them to take full advantage of new opportunities. The County must work to create a more positive business climate.

Alongside retention, business attraction will remain a high priority. Selected clusters in which the County has a comparative advantage, including life sciences, communications, professional services and government contracting will continue to be a focus. However, strategic opportunities in other sectors such as clean energy and green technology, which contribute to a high quality of life will also be part of the County's economic development strategy.

Action Items for Goal One

Business Retention and Attraction

- Execute an aggressive business visitation program for major accounts and companies that have high-wage jobs in the target market segments
- Implement a short-term retention strategy, including an economic stimulus package for local businesses, to help them through the current economic downturn
- Re-establish an Economic Advisory Council to provide ongoing guidance to the County and DED on economic development matters
- Proactively recognize the accomplishments of existing businesses
- Organize networking seminars and roundtables with targeted groups of County businesses
- Facilitate communication and interaction between Montgomery County companies in order to promote partnerships, tech transfer and increased local to local business or commerce
- Facilitate federal contracting forums, in partnership with County chambers of commerce and other business organizations
- Create more opportunities for Montgomery County based firms to compete for County contracts, and develop procurement strategies with other governmental agencies and large private sector firms
- Develop and implement a mass marketing strategy targeted to resident businesses, including broadcast e-mails, newsletters, business communiqués and article placements, an improved web site, videos, advertising campaign, and increased participation in events of local business organizations
- Create a "Life Sciences Team" and an "Advanced Technology Team" (including green technology) within DED for more targeted marketing and business development
- Aggressively recruit firms in targeted industry sectors, especially bio-pharma, aerospace, communications, advanced technology applications, green technology, professional services and government contracting
- Grow non-tech clusters including financial services, non-tech health services, professional services, and high-end hospitality products and services
- Ensure that agricultural businesses can benefit from existing and emerging technologies

- Create a one-stop small business center (and online portal) in DED to help new entrepreneurs as well as existing businesses

Marketing

- Create a communications and external relations team, and staff it with business development specialists in tech transfer, business communications and marketing
- Proactively promote the County as the ‘Smart’ location for business in targeted industry publications, selected media, and in selected markets in North America, Europe, Asia, the Middle East and South America
- Upgrade and enhance the DED web site and collateral materials to improve marketing and recruitment efforts
- Double the number of participants in the Mentorship Program

Finance

- Increase the base of financial incentives for existing businesses, such as the Technology Growth Fund, Small Business Revolving Loan Fund and the Impact Assistance Fund, and seek new incentives for bio-pharma, nanotechnology, green technology and other targeted industries
- Retool loan and grant fund evaluation criteria to prioritize financial support for emerging technology companies, in particular green technology businesses
- Increase the number of micro-loans issued

Workforce Services

- Pursue workforce initiatives that benefit workers in targeted industry clusters as well as workers in non-tech service sectors:
 - » Advocate for greater funding for Maryland Business Works
 - » Open a specialized one-stop career center

focused on life sciences and technology careers

- » Offer entrepreneurial training through MontgomeryWorks
- » Organize networks and job clubs for specialized industries in community locations (e.g., libraries)

Smart Growth and Sustainable Design

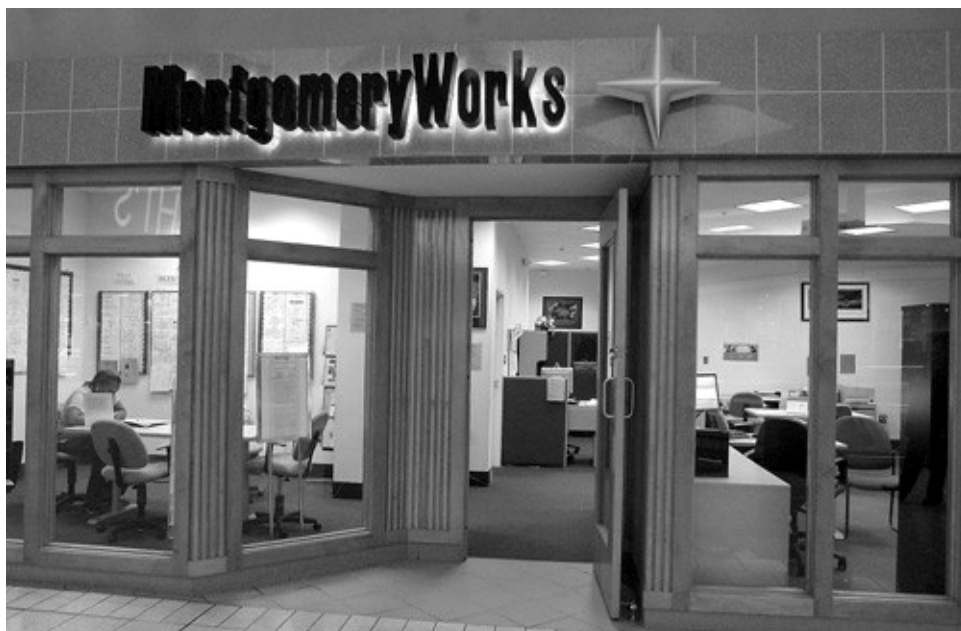
- Advance the economic development opportunities created by County’s green building laws and recently enacted climate change legislation
- Emphasize smart-growth and sustainable design principles to enhance economic vitality and improve the local quality of life through higher density and mixed-use projects
- Support the County’s Smart Growth Initiative, with a focus on dense transit-oriented development; affordable, workforce and market-rate housing; high-wage jobs in biosciences and technology; and new higher education opportunities
- Promote the County’s agricultural land preservation efforts through the newly enacted Building Lot Termination program (BLT). Under the program, private developers can buy BLTs in the County’s Agricultural Reserve in exchange for greater density in Transit Mixed-Use zones

Central Business District Revitalization

- *Wheaton:* The County is working collaboratively to foster the redevelopment and revitalization of Wheaton’s central business district. A market study will be help assess Wheaton’s competitive advantages, and provide recommendations for attracting companies and jobs to the CBD

To date, the County has:

- Created a new Division of Business Empowerment in the Department of Economic Development
- Established, in partnership with the Office of Procurement, the successful Local Small Business Reserve Program, through which eligible County-based small businesses can bid exclusively on selected County contracts
- Created a new Micro-enterprise Loan Program, which to date has funded three loans totaling \$45,000
- Closed on seven business assistance projects during the first months of FY09. DED staff is actively working with an additional 152 prospects on retention, attraction or expansion efforts
- Closed on 38 Economic Development Fund grant and loan transactions totaling \$1,954,621 in FY08 and during the first months of FY09. These County funds have in turn leveraged an estimated \$25,239,500 in external investments
- Re-established “*Business Appreciation Week*” to help understand the current challenges facing businesses and their plans for the future. In April 2008, County staff and partners visited over 400 companies to recognize their achievements, learn about their current challenges and opportunities and provide information on County resources
- Organized quarterly forums with “C- level” business leaders and the County Executive
- Hosted six forums with the County Executive and small and minority businesses
- Sponsored a small business conference in the spring of 2008 attended by over 300 entrepreneurs



Goal Two: Adapt to a more competitive business climate by creating an environment where knowledge-based clusters thrive

Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers and associated institutions in a particular industry. Montgomery County's established clusters include: biosciences, information technology/advanced technology, electronics, aerospace, satellite and communications, hospitality, and government contracting. The County's emerging clusters include: green/clean technology, nanotechnology, financial services and bio-pharma.

An important component of cluster development is a ready supply of knowledge-workers. Montgomery County's workforce development efforts must adjust to meet its 21st century demands. This includes working regionally with our academic and business partners to identify and develop the talent needed for knowledge-based industries.

Action Items for Goal Two

Industry Clusters

- Enhance economic development incentive programs, and better align attraction and retention efforts with incentives, tax policies and regulations that benefit the growth and development of clusters
- Cultivate existing and emerging industry clusters by forming taskforces that will include business, academia, and federal, state and regional government entities. Each taskforce will identify ways the County can grow and strengthen the cluster
- Assign a highly-qualified business development specialist to the County's biosciences cluster, to provide greater support and resources to this critical industry sector
- Develop programs to provide technical and financial assistance to support spin-off

technologies from existing clusters

- Foster the growth of the County's emerging nanotechnology cluster by facilitating links between industry, research, investor and regulatory communities
- Develop a green economy strategy and nurture a green/clean technology cluster

Capital Projects and Infrastructure

- Working with partners in the private sector and government, develop capital projects that will enhance our quality of life, have positive spill-over effects and are responsive to the needs of key industry clusters. Strategic initiatives currently being pursued include:
 - » The expansion of the Shady Grove Life Sciences Center
 - » The development, in partnership with the Johns Hopkins University, the University System of Maryland and others, of a global science center in the Gaithersburg West planning area where research can be translated into marketable products and processes within the context of a vibrant live/work community
 - » The redevelopment of the 115-acre Site II property, which neighbors the consolidated FDA campus and the proposed Adventist Hospital in East County, as a mixed use science and technology-focused development and international center for the discovery and manufacture of new drugs and vaccines
 - » A science and technology park at the Germantown campus of Montgomery College that will harness the synergies of academia, government, health care and business

Montgomery County's workforce development efforts must meet 21st century demands.

- » A multi-use arena and a live music/entertainment venue
- Work with other key County agencies (M-NCPPC, Department of Permitting Services, Department of General Services) to fast track strategic County economic development projects

Workforce Development

- Enhance the development and availability of knowledge workers through specialized efforts to recruit workers with the skills needed for targeted industries and provide tailored training
- Work with the academic and business community to align workforce services with targeted industry clusters, and actively seek industry input in the development of training curricula and course offerings
- Work with private sector partners to provide “teacher employment” at technology and biosciences companies
- Increase mentoring of young people and provide opportunities for job shadowing and internships in technology and biosciences companies
- Create opportunities for professionals from County technology, biosciences, and other companies to give presentations in County schools and to participate in career fairs
- Create a ‘reverse science fair’, in which Montgomery County tech and biosciences companies develop experiments/displays about their work, and visiting middle school and high school students become the judges

Business Innovation Network

- Continue to expand the County’s successful incubator network and provide seed funding

to incubator companies through DED’s financial grant and loan programs

- Engage in preliminary planning for the County’s sixth incubator, a proposed LEED-Gold facility in the new Site II development in East County

Tech Transfer and Commercialization

- Support the commercialization of new technology and high-profile pilot programs for the deployment of existing technologies that have multiple industry applications
- Showcase local technology in pilot projects and adopt technology which improves the local government’s efficiency, finances or quality of life

Marketing

- Adequately fund County marketing campaigns, and align DED advertising programs with the new knowledge-economy strategies
- Expand DED’s successful “*I Am Montgomery*” marketing campaign, which showcases existing businesses and the reasons they chose to locate in Montgomery County
- Aggressively market the County regionally, nationally and globally in selected media
- Selectively participate in regional, national and global biotech, IT/AT, aerospace and other trade shows
- Enhance the marketing features of DED’s web site

Accomplishments to date:

- The new *Biosciences Task Force* has been formed, and work is under way. Over the coming year the Task Force will assist the County in the development of a Biosciences Strategy, which will articulate a vision and recommended actions to help Montgomery County maintain and expand its position as a world leader in life sciences, clinical and translational research and product delivery
- The County has begun work to develop a long-term strategy to harness emerging opportunities in green technology. The County is forming a green/clean technology taskforce, and is working with a public-private coalition to offer resources to foster the development of the new Maryland Clean Energy Center. A consulting team will work with the task force to assess the County's "status" in the green technology industry, identify competitive forces, and recommend a "10-point plan" for the successful growth of green industries in Montgomery County
- Expanded the County's nationally renowned Business Innovation Network. The County's newest bioscience/technology incubator opened in October, 2008 on the Germantown campus of Montgomery College. The Network's five facilities comprise 147,000 square feet of office, lab and meeting space, including 35 wet labs. These facilities currently house 125 tenants, providing 400 jobs with an average annual salary of \$75,000
- The Network has graduated 88 companies, 71 of which are still operating. Graduate companies have created 1,600 jobs and occupy over 400,000 square feet of commercial space in the County
- MontgomeryWorks Business Services team has visited over 500 businesses, posted over 2,000 jobs listings, conducted nearly 200 individual employer recruiting events, over 20 multiple employer "forums" and six multiple employer job fairs



Goal Three: Foster creative and strong partnerships with academia, federal researchers, the private sector, non-profits and various levels of government to pursue innovative projects, policies and best practices and support business growth and expansion

One of Montgomery County's key competitive advantages is the presence of high quality academic and federal institutions in the region that train and attract top researchers and professionals. The transfer of the rich reservoir of research and intellectual property (IP) that comes out of these institutions

The County will facilitate the transfer and translation of knowledge and IP.

to the private sector is key to the County's economic success. The County must facilitate the transfer of this

knowledge and IP and bring these diverse groups together. In addition, the County needs to focus special attention on its workforce, which requires a broad range of skills to meet the needs of local businesses.

Action Items for Goal Three

Policy Framework

- Coordinate policies with other governmental entities to ensure a supportive environment for cluster development and small business development
- Work with M-NCPPC to ensure that transit-oriented development occurs around our Metro stations, and that businesses have input in the County's plans for growth
- Advance the presence of higher education and ancillary research facilities at the Universities at Shady Grove, Johns Hopkins University, the University System of Maryland and Montgomery College

Partnerships/Networks

- Engage in public-private projects to revitalize the County's town centers and provide for strategic redevelopment opportunities
- Strengthen the Federal Technology Network, and partner with the Federal Laboratory Consortium for Technology Transfer to help move technologies and research into the marketplace
- Strengthen the County's partnerships with business organizations and chambers of commerce

BRAC

- Work with the County Executive's office to ensure that BRAC consolidations in Bethesda and other parts of the County create opportunities for County-based firms and create the necessary infrastructure to support that growth

Workforce Development

- Continue to organize and sponsor events/conferences that help retain post-doctoral level scientists in the County
- Work with technology companies to train dislocated workers, low-income adults, older workers, disadvantaged workers and youth
- Work with businesses and educational institutions, especially Montgomery College, the Universities at Shady Grove and Johns Hopkins University, to ensure that skills needed by emerging industries are identified and become a part of educational offerings

Finance

- Rebuild and enhance the Economic Development Fund so that DED can leverage its resources with State of Maryland funds, including DBED, TEDCO, MEDCO, MARBIDCO and others, to attract, retain and expand businesses in key industry clusters

- Share information about entrepreneurs with prospective venture capitalists and angel investors, and facilitate new companies' access to financial resources

Accomplishments to date:

- The County sponsored the NIST/UMBI October 2008 Conference: "Accelerating Innovation in 21st Century Bioscience," in which over 400 scientists from around the globe participated
- The FedTechNet, established with the assistance of the Federal Laboratory Consortium (FLC), is a County supported network that will assist County based federal labs establish new direct links with local businesses interested in technology transfer and commercialization opportunities
- DED is actively participating in the FLC's Washington Area Working Group, as well as the FLC Mid-Atlantic Region Working Group. DED will host FLC's bioinformatics conference in January, 2009. This effort will focus on the lab opportunities at NIH and NIST
- The Montgomery County Innovation Institute is a new pilot program that will match federal labs with private sector interests. It will align the FedTechNet with Montgomery County businesses, including the Business Innovation Network and small, minority and women-owned firms



Goal Four: Establish global linkages to facilitate business opportunities abroad and to attract international investment in Montgomery County

Globalization has increased the pressure on regions throughout the world, pushing them to increase their competitiveness. A cluster's ability to develop a dynamic international network is important to its competitiveness. Companies that have cultivated strong networks internationally can tap into them for business intelligence and marketplace trends.

Research shows that high tech companies are leveraging international markets earlier in their development than in previous years.

Business development missions will target selected U.S. and strategic international markets.

Business development missions should target selected U.S. states as well as international markets such as Canada, Europe, Israel, selected Asian nations (including Japan, China, India, Korea and Taiwan) and South America (Brazil). These missions should be driven by data intelligence, partnerships and business potential.

Action Items for Goal Four

Partnerships/Networks

- Facilitate international networks for County-based businesses so that they can benefit from emerging market trends, business intelligence and global opportunities
- Continue to be an active member of the World Trade Center Institute, the Tech Council of Maryland and other global organizations that organize regional and international networking events. Amongst other events, DED will continue to sponsor the annual Embassy Day in Montgomery County
- Strengthen relations with international organizations that have business ties to Europe, Asia and Latin America (such as the KOTRA, FICCI, CII, CBA, GAIBP, etc.)

- Build strong relationships with County-based international entrepreneurs to leverage networks in their countries of origin

Marketing and International Outreach

- Leverage County companies' international connections, and undertake selective marketing campaigns in those markets
- Capitalize on the County's unique demographic profile, which provides local and international companies with employees well-versed in multiple cultures and languages
- Focus marketing and promotional activities in selected media and in selected markets—globally and locally
- Expand the Business Innovation Network's portfolio of international companies

Accomplishment to date

- Strategic international business missions: In 2007, the County sent business delegations to Europe, Israel and India. In 2008, business missions went to Korea and China to strengthen business relationships, assist County firms in expanding business opportunities and market the County as a *Smart Location* for international firms and investments
 - » As a direct result of these business missions, the County welcomed over a dozen international companies from India, the U.K., the Netherlands, Korea and China in 2007 and 2008. DED has been invited to speak at IndiaSoft 2009, the largest IT/AT conference of India. Chungbuk Province (Korea) has pledged \$2 million in investment support for the incubator facility to be built as part of the County's development of Site II. In addition, the County identified at least 20 Korean prospects and over 12 Chinese prospects that are expected to establish a U.S. presence within the next five years

V. Performance Measures/ Outcomes

The County will use quantifiable measures to assess the overall strength of its economic development strategy, as well as outcomes.

Headline Measure on: DED's Business Attraction, Retention & Expansion Efforts

Outcomes of Business Attraction, Retention & Expansion Efforts will be measured by:

- 1) Jobs created:
 1. By existing business expansion
 2. By new business attraction
- 2) Total new capital investment:
 1. By businesses currently located in the County
 2. By newly attracted companies and business start-ups
- 3) Office space occupied:
 1. By existing business expansion
 2. By new business attraction
- 4) Survey results from the businesses that have participated in County-sponsored technical assistance programs
- 5) Number of prospects in DED's 'active' pipeline that are successfully closed

Headline Measures on: Business Innovation Network

Outcomes of the Business Innovation Network will be measured by:

- 1) Number of new jobs created by incubator tenant companies and graduates

- 2) Number of jobs created by companies participating in the Network per County dollar invested
- 3) Number of companies graduating from the Network that occupy commercial space in Montgomery County

Sub-Measures

A) Financing Programs (Economic Development Fund)

Outcomes of Financing Programs will be measured by:

- 1) Number of EDF transactions completed
- 2) Number and value of Micro-loans awarded
- 3) Number and value of Small Business loans awarded
- 4) Number and value of Impact Assistance grants provided
- 5) Ratio and dollar value of all external funds leveraged per County dollar invested
- 6) Number of jobs created or retained through these programs

B) Capital Project investments

Outcomes of Capital Projects investments will be measured by:

- 1) Ratio of private sector and non-County investment to County funds invested
- 2) Jobs created through DED led development projects

C) Marketing Programs*Outcomes of Marketing Programs will be measured by:*

- 1) Number of companies participating in “I Am Montgomery”
- 2) Number of new contacts (prospects) developed
- 3) Number of Web site hits

D) Global Linkages*Outcomes of Global Linkages will be measured by:*

- 1) Amount of new foreign investments in County per County dollar invested
- 2) Number of jobs created by international companies that DED assisted

E) Workforce Services*Outcomes of Workforce Services will be measured by:*

- 1) Number of job-seeking customers in the Intensive Service Program that are placed in jobs
- 2) Number of employers assisted with training and recruitment

F) Agricultural Services*Outcomes of Agricultural Services will be measured by:*

- 1) Cumulative and current year acres of farmland protected
- 2) Number of Farmers’ Markets in operation
- 3) Number of farms or farm businesses assisted

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